



Local Programs Procedures

LPP 96-05 Flexible Congestion Relief (FCR) and Transportation System Management (TSM)

Reference: *Local Assistance Program Guidelines*, Chapter 14 "Flexible Congestion Relief (FCR)" and Chapter 16 "Transportation System Management (TSM)"
LPP 95-06 FCR and TSM (Rescinded)
Financial Guidelines for Local Agency Reimbursement
TSM Guidelines, as amended by the California Transportation Commission (CTC)
March 31, 1993
FCR Guidelines, as amended by CTC September 12, 1991

Effective Date: October 2, 1996

Approved: _____

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This LPP changes the source of funding for the FCR and TSM programs, the procedures to be followed to program the funds and to receive reimbursement for expenditures on FCR and TSM projects.

EXISTING PROCEDURES

When the FCR and TSM programs were first established, local projects were funded with State-only funds. The Financial Guidelines for Local Agency Reimbursement established the detailed procedures for reimbursement for local FCR and TSM projects. (The Financial Guidelines can be found in the Appendix in the *Local Assistance Program Guidelines*.) From February of 1994 until August of 1996 a shortage of State funds in the State Highway Account required that some projects would be funded with a combination of State and Federal funds. LPP 95-06 modified the Financial Guidelines to include the procedures required when Federal funds were involved. A detailed description of these procedures is included in the *Local Assistance Program Guidelines*. The *Local Assistance Program Guidelines* has recently been placed on the Internet. Hard copies will be distributed, to those who requested a copy, when they are received from the printer.

NEW PROCEDURES

Following the adoption of the 1996 Fund Estimate and State Transportation Improvement Program (STIP), it was found that the availability of State funds had changed significantly and it was no longer necessary to require local FCR and TSM projects to continue following more complex Federal requirements

The revised funding procedures now allow for local FCR and TSM projects, not yet voted by the CTC, to be State-only funded.

Summarized below are the new funding procedures for the local FCR and TSM projects to implement these changes. This policy is subject to change if State revenues decline, or new Federal programs or funding policies are set up in the reauthorizing of the Intermodal Surface Transportation Efficiency Act in 1997.

LPP 95-06 is rescinded.

Chapter 14 "FCR" and Chapter 16 "TSM" in the *Local Assistance Program Guidelines* will be revised in the near future to implement the changes outlined here. The revised chapters will be posted on the Internet when they have been completed and a hardcopy manual change will follow.

For those FCR and TSM projects currently in the Federal environmental process, it is suggested that careful consideration be given to completing that process. For long term projects, whether or not to qualify for Federal-aid is also an important consideration.

Funding

Local FCR and TSM projects that have not received a second vote of the CTC for right of way or construction will now be funded by Caltrans with State-only funds for the State's share of the project.

The Financial Guidelines for Local Agency Reimbursement are still to be used except for the changes noted below.

Programming Support Costs

FCR Projects:

For the highway program, the STIP Fund Estimate no longer automatically sets aside funds for capital support. SB 1565 (Kopp, 1994) requires that State funding for FCR support be specifically identified and programmed in the STIP. Local agencies that want State

reimbursement for FCR support costs must have the support costs programmed with the project costs in the STIP. In order for a local agency to initiate a project and have it nominated and approved for funding from the FCR program, the following actions should occur:

Select a project and develop the project concept/scope, identifying objectives, the general level of improvement or service, operating standards, alternatives, costs, and the target dates for environmental clearance, award and completion.

Submit candidate FCR projects to the appropriate Regional Transportation Planning Agency (RTPA) for inclusion in the Regional Transportation Improvement Plan (RTIP). Submittals should identify needs for both support and capital costs. Projects located in an urbanized area must be included in an adopted Congestion Management Plan (CMP) before they can be nominated for the FCR program.

Each RTPA prepares a RTIP, develops a regional FCR program, includes the FCR program in the RTIP, and submits the RTIP to Caltrans and the CTC. The RTIP should include both support and capital costs. FCR projects must be submitted by the RTPA to the CTC on a single list, in priority order, which combines both highway and transit projects.

Local agencies which now have FCR projects programmed in the STIP for capital costs, but not for support costs, should process a STIP amendment through their District Local Assistance Engineer (DLAE) if the local agency wants to be reimbursed for support costs.

Local agencies can only apply for reimbursement up to the total amount (capital and support) in the STIP. Savings in an early stage (preliminary engineering) of a project may be used to cover cost increases in a later stage (construction), as described in Section VI-B of the Financial Guidelines. Any costs beyond this amount must be covered by the local agency.

TSM Projects:

Programming for support will continue to follow the procedures outlined in the Financial Guidelines.

FCR Project Development Considerations

Project development work done after support for an FCR project is adopted in the STIP, but prior to the CTC's second vote for construction, is eligible for reimbursement. Local agencies wanting reimbursement for preliminary engineering support costs prior to the second vote for construction should contact their DLAE to discuss reimbursement procedures.

Project Allocation Requests, Funds Requests and Agreements

As mentioned above, we are again using the Financial Guidelines except as noted. This means that for State-only funded projects which have not had a second vote for construction, there are no longer requirements for: FSTIP, Request for Authorization, PR-2, PS&E Certification, or other Federal procedural requirements. Project Allocation Requests and State funded Program Supplemental Agreements will still be required as specified in the Financial Guidelines and LPP 95-07.

For projects that will be using Federal-aid funds to fund any part of the project costs, existing procedures for Federal-aid projects (outlined in LPP 95-07 and later LPPs) including compliance with the Environmental Protection Act and Uniform Relocation Assistance Act, shall continue to be followed.

Expenditure & Reimbursement

Reminder: Local agencies shall complete both the work to be reimbursed and the actual reimbursement payment within two years following the fiscal year of the CTC funding allocation. Reimbursement shall follow the procedures outlined in LPP 95-07, Attachment 10, Invoices.

Project Completion

The Financial Guidelines require, for State-only funded projects, the use of "Report of Expenditure and Certification," found in Volume I, Section 19, Exhibit 19-1a of the previous *Local Program Manual*. This form has been replaced by a new "Final Project Expenditure Report," as described in LPP 95-03, Final Project Expenditure Report for State Funded, Local Assistance Projects.